

FAST FACTS & TALKING POINTS

Taxes & Spending in Washington

Taxes

In 1993, every man, woman and child in Washington paid an average of \$2,431 a year in state and local taxes. That doesn't include federal income taxes and social security taxes. This is an increase of \$123 over the previous year's figure.

- On a per-person basis, Washington ranks 10th in the country for tax burden — ahead of California which ranks 11th. Oregon ranks 23rd and Idaho 39th.

(Department of Revenue, May 1996, based on 1993 figures)

In 1996, the average wage-earner worked until May 7th (Tax Freedom Day) to pay for federal, state and local taxes. At 128 days into the year, the 1996 Tax Freedom Day arrived later than ever before.

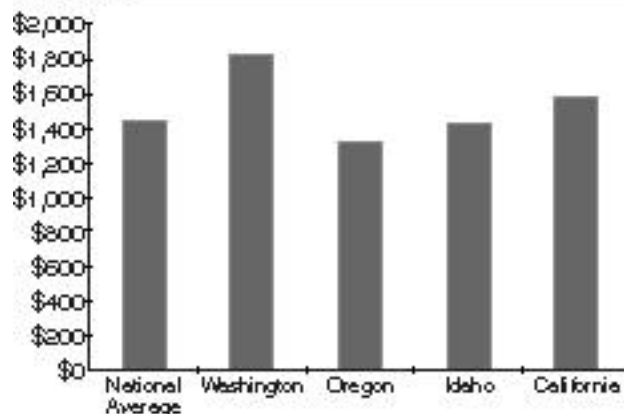
- The average worker spends 2 hours and 47 minutes each workday laboring to pay-off federal, state and local taxes. This is more time than it takes to pay for food, housing and clothing combined.
- Families are now paying more of their income in taxes than they did in 1993. In 1995, the average family paid 38.2 percent of its income to federal, state and local taxes. In '93, it totaled 37.6 percent. *(The Tax Foundation)*

Washington ranks 8th in the nation in STATE taxes collected per person at \$1,817. New York state ranks 9th and California finishes at 14th. *(U.S. Bureau of the Census, 1994 figures)*

In 1994, the average Washington citizen paid \$1,086 in sales taxes. *(U.S. Bureau of the Census)*

How Washington Ranks

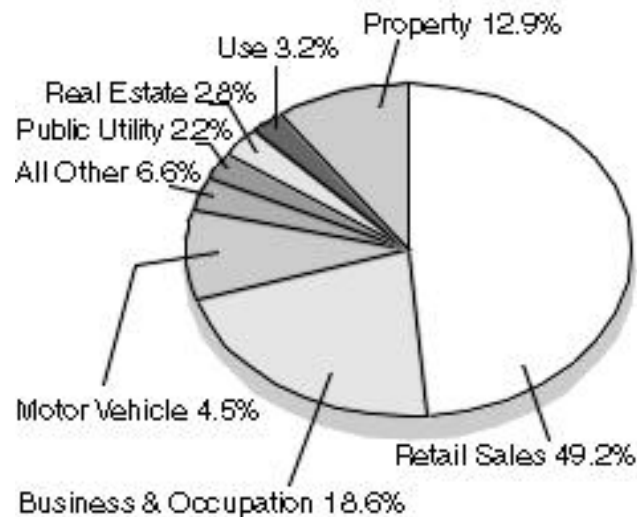
State Taxes



U.S. Bureau of the Census, 1994 figures

Sources of Revenue

General Fund - State



(1996 Final Legislative Report)

FAST FACTS & TALKING POINTS

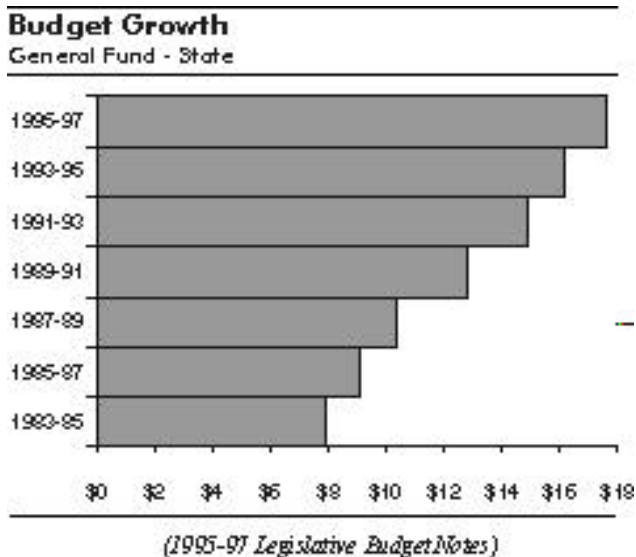
Spending

Washington State ranks 6th in the nation in state and local government spending per person. In 1992, state and local governments spent \$5,383 for each person. Oregon ranks 15th at \$4,620 and Idaho finishes 47th at \$3,422 per person. (*U.S. Bureau of the Census, 1992 figures*)

Public schools and human services account for more than 77 percent of state spending (General Fund-State). When you add in higher education, these three areas of the general fund budget total nearly 90 percent of the state's spending. (*1995-97 Legislative Budget Notes*)

Since the early 1960s, state spending as a percent of total personal income has increased from 10.6 percent to 15.1 percent. (*OFM '91 & '95 Data Book*)

For every person in Washington, there is approximately \$5,450 in state and local government debt. (*U.S. Bureau of the Census, 1992 figures*)



Before and After Initiative 601

In November 1993, Washington voters approved Initiative 601 limiting how much legislators could spend beginning in the 1995-97 biennium. However, the effort to limit state spending began in January 1993 during the

FAST FACTS & TALKING POINTS

legislative session and impacted the two-year state spending plan adopted that year. I-601 ties spending to inflation and population growth. In the 1995-97 biennial budget, lawmakers could not appropriate more than \$17.9 billion — an increase of \$1.6 billion over the 1993-95 biennium. (\$17.66 billion was appropriated)

(1995-97 Legislative Budget Notes)

For more information about budget and taxes, contact Deanne Kopkas, SRC Policy Staff Director, P.O. Box 40482, Olympia WA 98504-0482, 360-786-6671.

NOTES
